



☆☆☆
SWEDISH MATCH

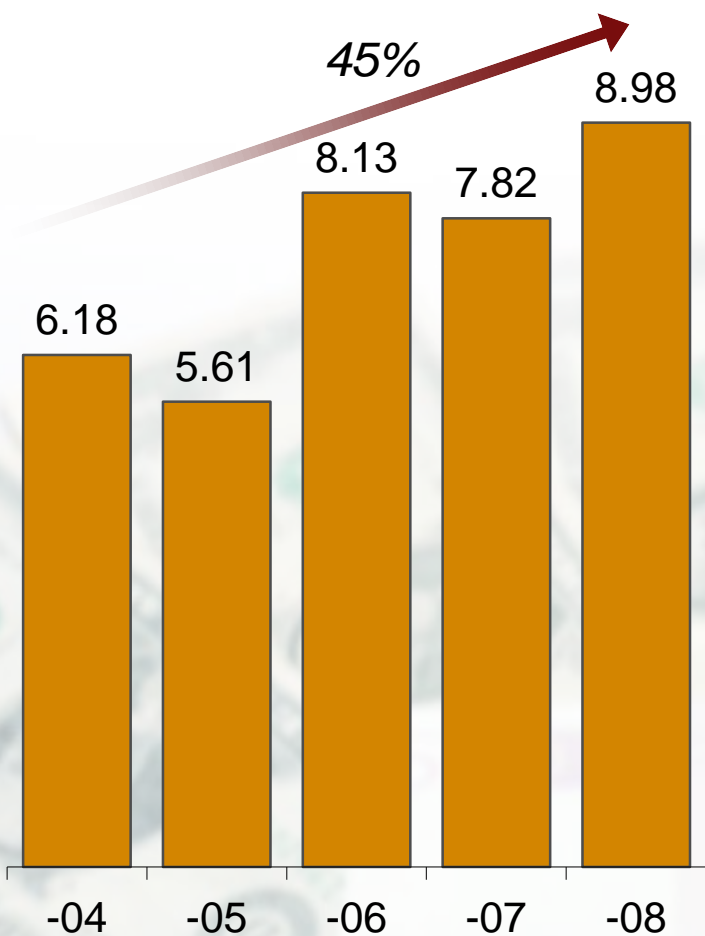
Lars Dahlgren
President and CEO

The Year That Passed

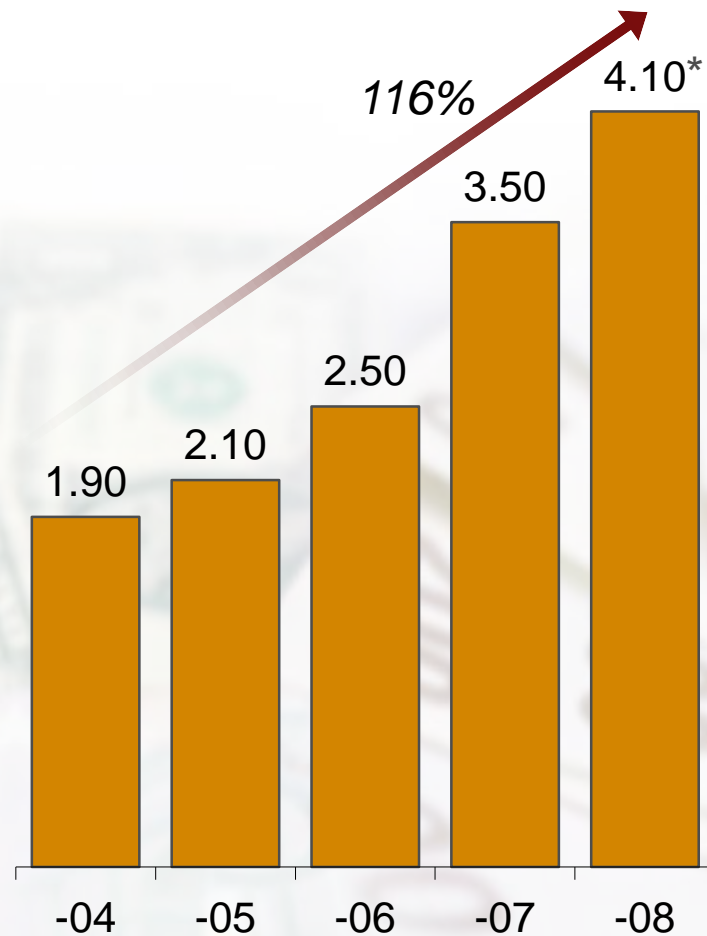
- Another strong year for Swedish Match
 - ▮ Group sales up 4.9%
 - ▮ Earnings per share up 14.8%
 - ▮ Proposed dividend increase to 4.10 SEK (3.50)
- Growing industry interest in smokefree and continued consolidation
- Credit crisis and global recession
- Focus on strategy for the future

Earnings per Share and Dividend

EPS



Dividend



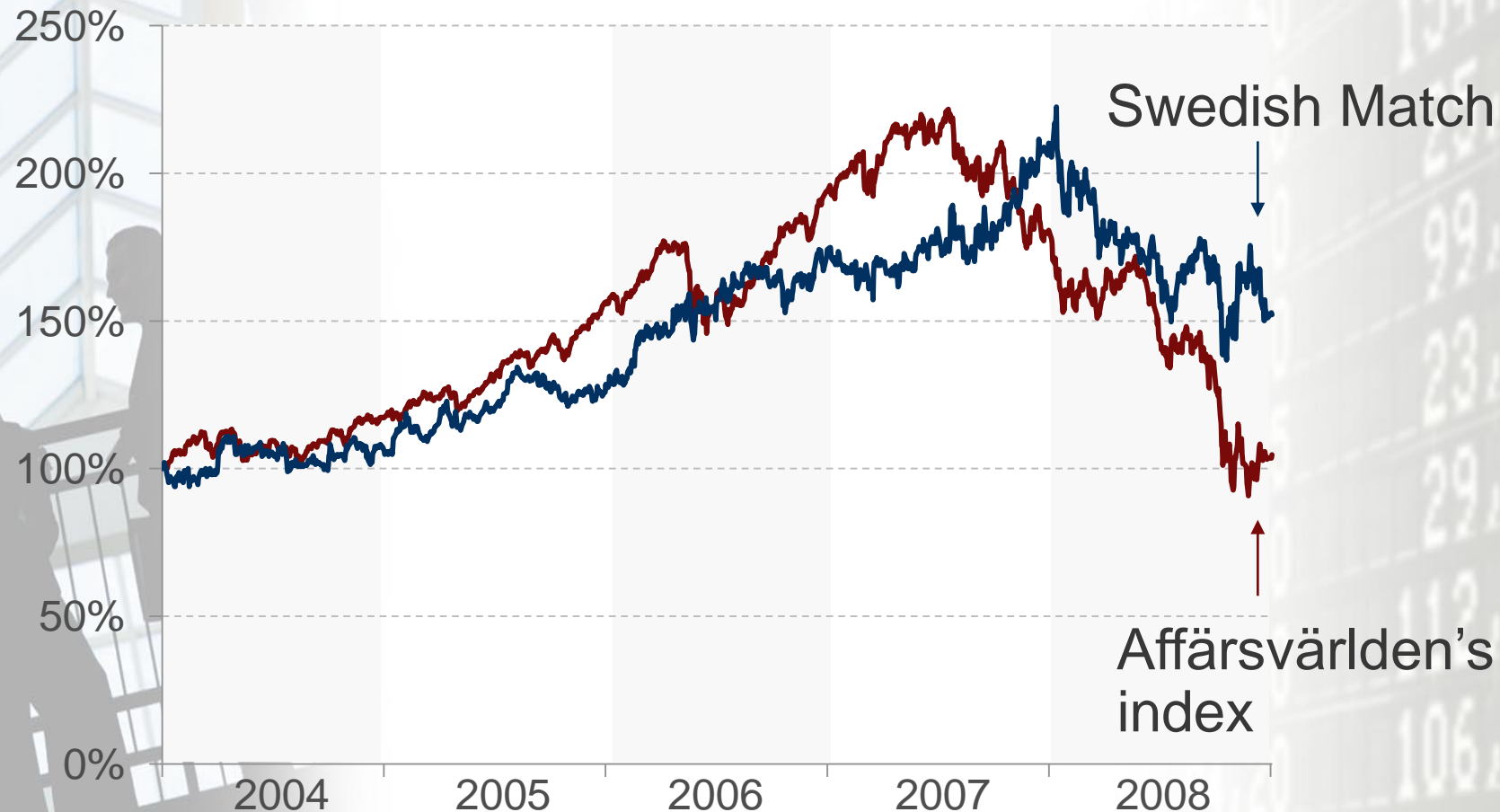
* Proposed dividend

Value Transfers to Shareholders

<i>MSEK</i>	<i>-04</i>	<i>-05</i>	<i>-06</i>	<i>-07</i>	<i>-08</i>	<i>Total</i>
Dividend*	612	627	664	886	1 024	3 813
Repurchase of shares, net	576	1 411	3 585	2 453	934	8 959
Total	1 188	2 038	4 249	3 339	1 958	12 772

* Refers to dividend for each year respectively; 2008 according to board proposal

Share Price Development 2004 - 2008



Share Price Development 2008



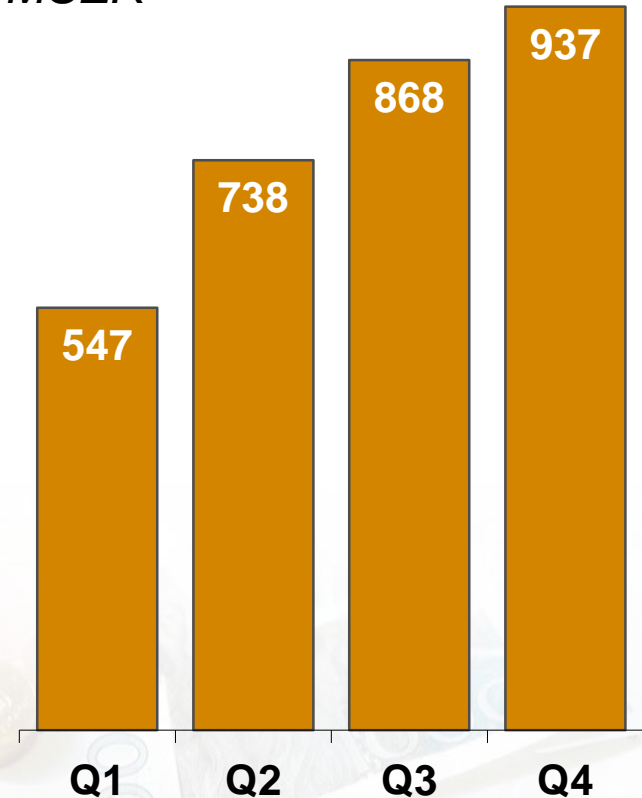
Results 2008

- In local currencies, sales increased by 6%, while operating profit excluding larger one time items increased by 13%
- Operating profit improved for all product areas except cigars
- Operating margin reached 22.9%, up from 21.8% in 2007

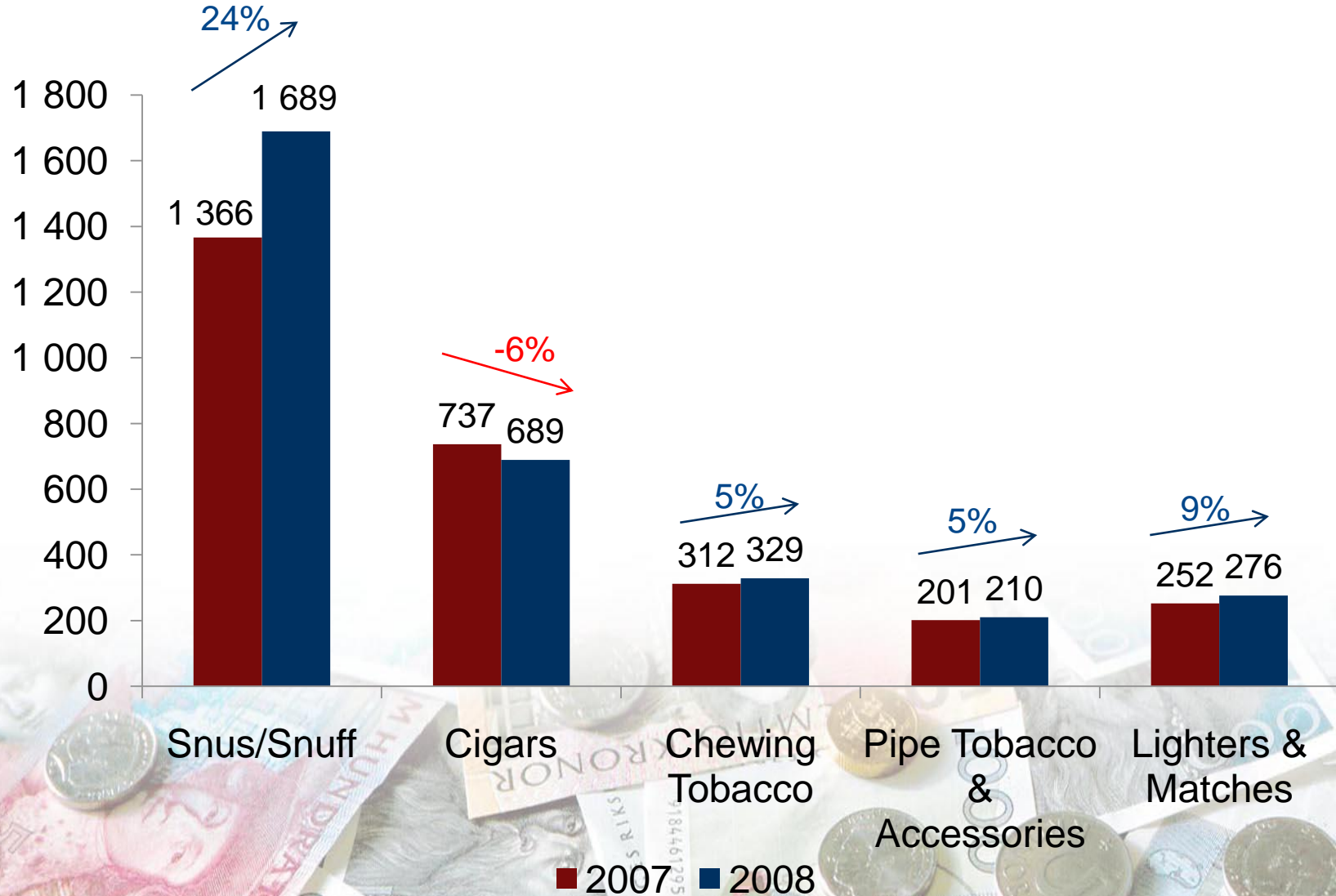
<i>MSEK</i>	2008	2007
Sales	13 162	12 551
Operating profit	3 090	2 997
EPS (SEK)	8.98	7.82

Operating Profit 2008

MSEK



Operating Profit per Segment, MSEK



Snus/Snuff – Development of Main Markets

Scandinavia

Million cans

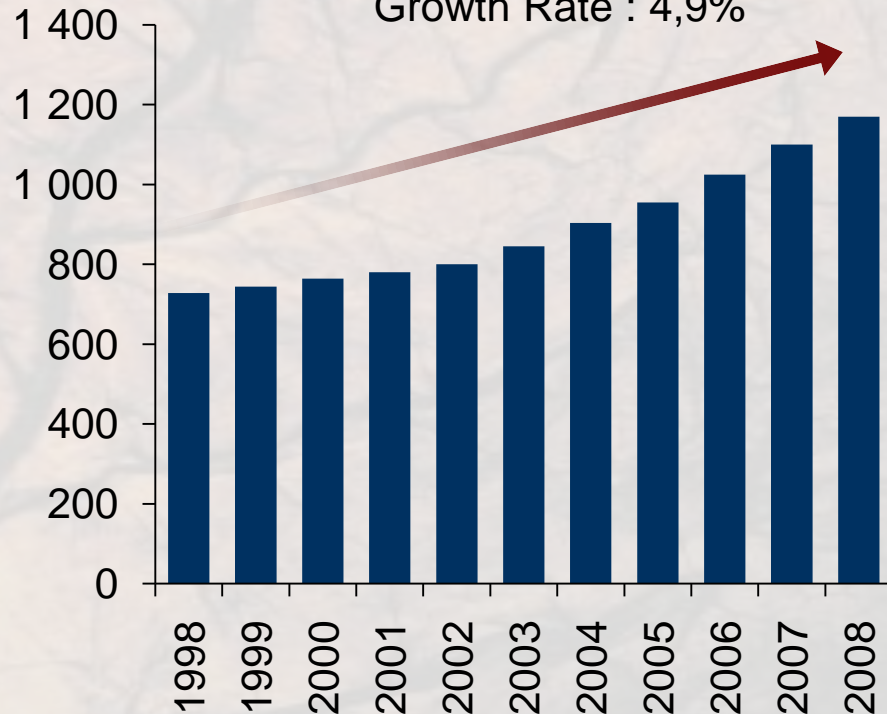
Compound Annual Growth Rate: 3,9%



USA

Million cans

Compound Annual Growth Rate : 4,9%



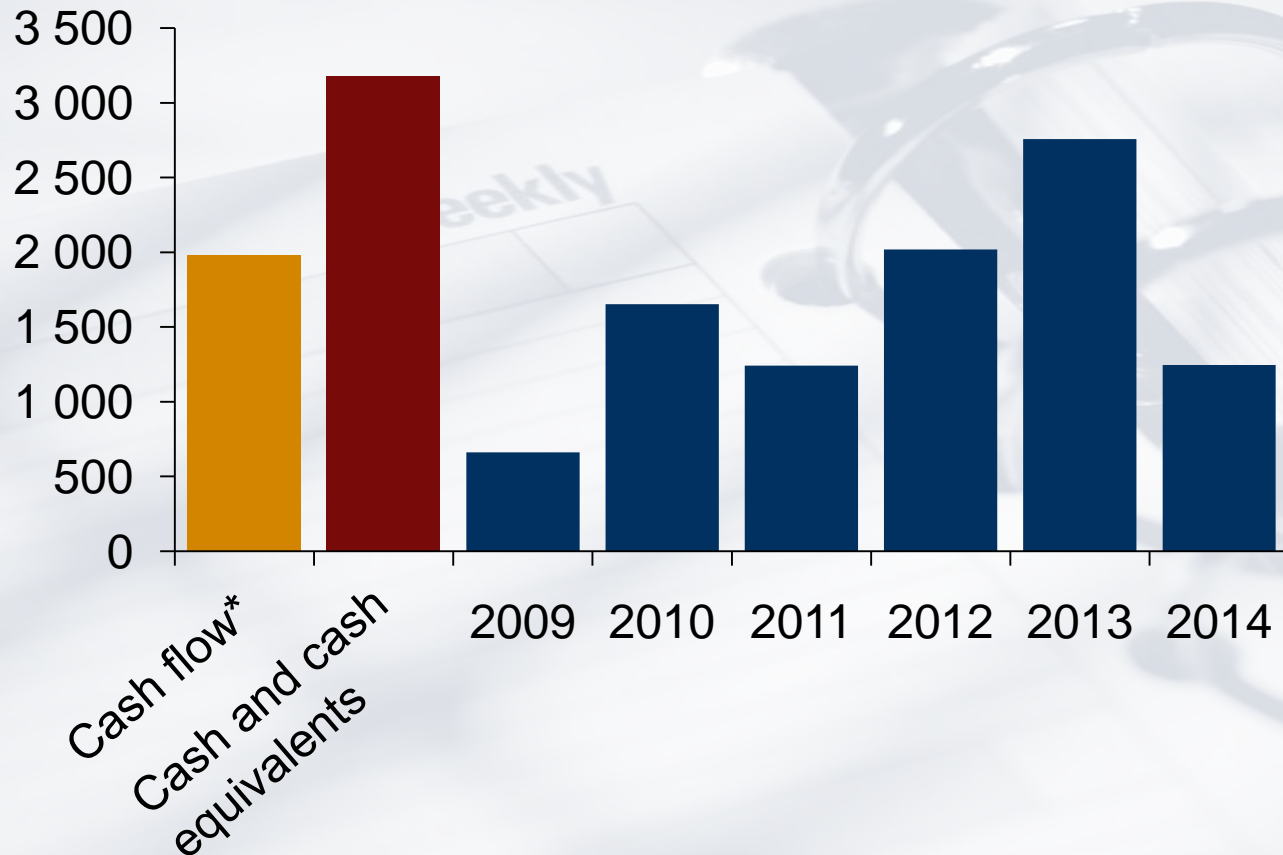
Sources: ACNielsen and Swedish Match estimates



Financial Crisis

Liquid Funds and Interest Bearing Debt

Maturity profile of interest bearing liabilities



Group net debt per December 31 2008: 7 640 MSEK

* Refers to net cash from operating activities



Industry Consolidation

Consolidation of the Tobacco Industry

Tobacco Companies

Philip Morris International

BAT

STG

Japan Tobacco

Imperial Tobacco

Altadis

Reynolds

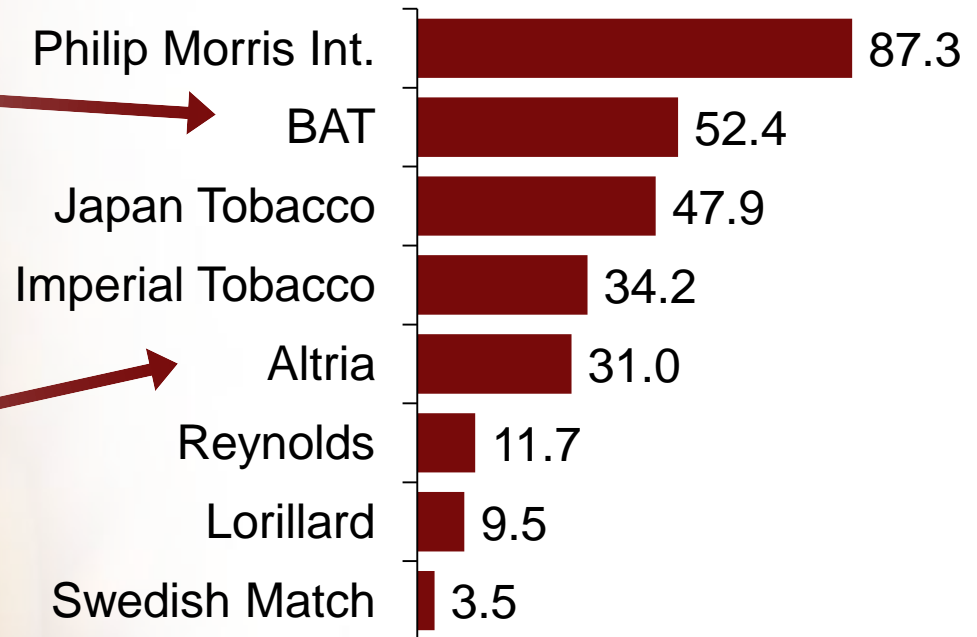
Altria

UST

Lorillard

Swedish Match

Market Cap Dec 31 2008 (Billion USD)





Strategic Direction

Strategic Background - Smokefree

- Strong growth opportunities
 - Both new and existing markets
 - Social trends in favor of snus and snuff
 - Smoking bans support smokefree alternatives
- Increased interest and competition for smokefree products from cigarette companies
 - Both threats and opportunities
- Excellent starting position
 - Unique heritage
 - Professional organization
 - Strong local brands
 - Technological lead

Strategic Background - Cigars

- Sales and operating profit driven by past acquisitions
 - Strong foundation to build on
- Pressure on operating margin a consequence of recession and smoking bans
- Room for operative improvements and global synergies

Strategic Background – Lights and Pipe

- Efficient operations
 - Rationalizations and divestments have created a state of the art supply chain
- A strong brand portfolio
- Excellent results despite pressure on volumes

Strategic Direction

■ *Global Smokefree Leader*

- ▮ More aggressively pursue organic growth opportunities on a global basis
- ▮ Be the preferred choice by consumers
- ▮ Be the most valued partner to the trade
- ▮ Remain the industry authority for regulators and opinion makers

■ *Best in Class for cigars*

- ▮ Global synergies
- ▮ Selective growth opportunities
- ▮ Focus on profitability

■ *Operational excellence for Lights and Pipe Tobacco*

- ▮ Focus on productivity and profitability
- ▮ Leverage strong brands



Thank You!